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NSC BRIEFING

7 February 1956

CONFIDENTIAL
SOVIET MOVES IN LIBYA

I. Since arrival of Soviet Ambassador Generalov in Tripoli (6 Jan.) reports of Soviet interest in and offers to Libya have snowballed.

A. Generalov - described by US Ambassador Tappin as "dumb like a fox and soft as a Toledo steel blade" reportedly took the occasion of his 13 January presentation of credentials to King Idriss to make a "no strings" offer of economic assistance.

25X1X6

B. [redacted]

[redacted] Soviet offer includes:

1. 40 to 50 thousand tons of wheat.

2. "Unlimited" economic aid, including "free arms."

C. Generalov is also reported to have approached the Libyan petroleum commissioner and indicated a Soviet desire to apply for concessions (which might carry with them rights to the use of airstrips, radio stations.

1. However, Libyan prime minister Ben Halim has denied that Soviet request for an oil concession has been made.

D. Finally, US Embassy reports that, according to the Libyan minister of health, USSR has promised to supply Cyrenaica--Libya's eastern province--with "what it really needs"--doctors, nurses, and agricultural machinery.

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II. Libyans' official reaction to Soviet "offers" has followed pattern set by Egyptian prime minister Nasr in his bloc arms deal.

- A. Ben Halim who is a shrewd bargainer from the Alexandria cotton exchange, has previously pointed to hasty Western support for Egyptian high dam project as an example of success for tactics which other Near Eastern states should follow.
- B. Has complained at length of what he says is niggardly quantity of Western aid despite Western commitment to support development of Libyan economy.
- C. He has stated, even more frankly than Nasr, that unless West quickly makes far better offers than in past, he will be "forced" to accept Soviet aid.

III. While Libyans are certainly bargaining, there is no reason to believe they would not accept Soviet offers.

- A. Ben Halim has pro-Egyptian record on many matters: seems possible that Soviet offer may first have been cleared with Cairo and that Egyptians may be urging Libyans to accept.
- B. Already existing commitments to West (in form of Western bases, which place Libya in tacit alliance with UK, US) are not likely to deter Libyans from accepting any Soviet economic offer which appears to be "without strings."
- C. While Libyans will probably recall earlier Soviet interest in using their country as catspaw in international politics, their physical distance from, and previous lack of contact with, USSR make them almost indifferent to arguments about

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ultimate Soviet objectives.

D. Current admiration of Nasr for asserting Arab "independence" by bloc arms deal is strong in Arab states generally, and Libyan leaders probably cannot afford to buck this sentiment openly.

IV. Mere fact of Soviet offers, regardless of actual acceptance by Libyans, means Libyan leaders will be even more difficult than in past when questions involving US and UK bases arise.

A. Transfer of US 17th AF hdqrs, *from Rabat* to Tripolitania is currently under review as result of this development.

B. Libyans assert that Soviet personnel will be restricted to strictly diplomatic activity.

C. However, Libyans are even less capable than Egyptians of countering subtler forms of Soviet penetration should Moscow decide to adopt them.

D. Ultimate tenability of US bases in Libya is thus called in question.

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